

December 11, 2013

Item No. 3

RECOMMENDATION TO APPROVE 24 DEVELOPMENT TEAMS FOR SUBSIDIZED FAMILY HOUSING UNIT DELIVERY AND APPROVE REAL ESTATE ACQUISITION PROGRAM FUNDING IN AN AMOUNT NOT-TO-EXCEED \$72,000,000

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners (“Board”) authorize the Chief Executive Officer or his designee to approve the below 24 Development Teams for subsidized Family Housing unit delivery and approve Real Estate Acquisition Program funding in an amount not-to-exceed \$72,000,000. Units that are not Family Housing will require Board Approval.

<u>Mixed Finance (Mixed-Income/Use, Real Estate Acquisition Program and Turnkey) Developers</u>	<u>Turnkey (Only) Developers</u>
Boulevard Group Inc. and Mercy Housing Lakefront	Breaking Ground
Brinshore Development, LLC	Century Development Group
Celadon - KMA, LLC and A Safe Haven Partnership	Chicago Metropolitan Housing Development Corporation
Flaherty & Collins Properties	Genesis Housing Development Corporation
Globetrotters Engineering Corporation	Hispanic Housing Development Corporation
Gorman & Company, Inc.	
Heartland Housing, Inc.	
Holsten Real Estate Development Corporation	
Hunt Companies	
Related Midwest	
SG/Premier - Senco Development and Galvan Associates, LLC. (Joint Venture)	
St. Edmund's Redevelopment Corporation	
The Community Builders	
The Habitat Company	
The Michaels Development Company	
The NHP Foundation	
The Resurrection Project	
Tria Adelfi LLC and Intricate Development Inc. (Joint Venture)	
Turnstone Development	

The Acting Executive Vice President (“VP”) of Development, the Office of the General Counsel and the Department of Procurement and Contracts have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

PLAN FORWARD GOAL

Reimagine the final phase of the Plan for Transformation, coordinating public and private investments to develop healthy, vibrant communities.

FUNDING

CHA General Fund

SOLICITATION SUMMARY

RFQ Number: 13-01072

Contract Type: Professional Services

Contract Period: Two Year Term

Publication(s): Chicago Sun-Times,
Chicago Defender, Extra Newspaper,
BuySpeed and CHA's website

Notification to Assist Agencies: 66

Number of Respondents: 29

Mixed Finance PD TEAMS Accepted: 19

Total Number of Respondents Approved: 24

Solicitation Release Date: 06/28/13

Days Advertised: 06/28/13, 07/03/13, 07/05/13

Addendum(s): 08/02/13

Pre-Qualification Meeting: 07/15/13

Solicitation Due Date: 08/09/13

Number of Vendors Solicited: 269

Number of Pickups: 97

Number of Respondents Deemed Responsive 28

Turnkey PD TEAMS Accepted: 5

M/W/DBE Participation: Signed affidavit on file.

Section 3: Signed affidavit on file

GENERAL BACKGROUND

The Chicago Housing Authority ("CHA") requested submissions of qualifications from interested Developers for the acquisition, development and management of mixed income developments. On June 29, 2013, the CHA released a Request for Qualifications No. 13-01072 (the "RFQ") entitled, Pre-Qualification for Development Teams.

As part of the Unit Delivery Strategy, the RFQ was created to initiate the Plan Forward commitment to complete the delivery of 25,000 units. The Unit Delivery Strategy is to build on CHA's experience working with private development teams and owners to supply quality housing that enables low-income families to maximize their potential for long-term economic success.

The RFQ provides a method to prequalify developers and creates opportunities for the CHA to:

1) Acquire public housing units in mixed income, mixed use and turnkey developments in Opportunity and General Areas in Chicago; 2) acquire turnkey off-site public housing units through CHA's Real Estate Acquisition Program ("REAP") and 3) Solicit proposals from PD Teams through the issuance of Opportunity Notices ("OP Notices") for on-site developments on vacant CHA properties.

The selected respondents will be issued a "Letter of Qualification" and have two years from the date of that letter to submit proposals to the CHA. CHA may acquire units or enter into long term leases for the units, subject to Board, HUD, or other necessary approvals.

The selected respondents provided commitment letters giving their best faith estimates of unit deliveries. Therefore to fund the acquisitions under this portion of the unit delivery strategy, the CHA also requests funding of \$72,000,000.00 for the Real Estate Acquisition Program over the two year Qualification Period. The Board will receive quarterly unit delivery reports.

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal (HUD) procurement laws.

The Acting Executive Vice President of Development concurs with the recommendation to approve 24 Development Teams for subsidized Family Housing unit delivery and approve the Real Estate Acquisition Program funding in an amount not-to-exceed \$72,000,000. Units that are not Family Housing will require Board Approval.

The CEO/President recommends the approval of the Development Teams and funding for the program.

RESOLUTION NO. 2013-CHA-115

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated December 11, 2013 entitled "RECOMMENDATION TO APPROVE 24 DEVELOPMENT TEAMS FOR SUBSIDIZED FAMILY HOUSING UNIT DELIVERY AND APPROVE REAL ESTATE ACQUISITION PROGRAM FUNDING IN AN AMOUNT NOT-TO-EXCEED \$72,000,000."

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to approve the below 24 Development Teams for subsidized Family Housing unit delivery and approve Real Estate Acquisition Program funding in an amount not-to-exceed \$72,000,000. Units that are not Family Housing will require Board Approval.

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Turnstone Development	

This award is subject to the Developers' compliance with the CHA's MBE/WBE/DBE, Section 3 resident and insurance requirements.

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